

EMPLOYMENT CONTRACT

AGREEMENT between the University of Medicine and Dentistry of New Jersey ("UMDNJ" or "University"), a body corporate and politic in the State of New Jersey, having its principal place of business at 65 Bergen Street, Newark, New Jersey 07107-3001, and William F. Owen Jr., M.D. ("Owen" or "President").

NOW, THEREFORE, it is mutually agreed as follows:

1. Appointment as President.

The Board of Trustees of UMDNJ (the "Board") hereby appoints, engages and employs Owen as President of UMDNJ, and Owen hereby accepts and agrees to said appointment, engagement and employment subject to the general supervision and direction of the Board.

2. Duties as President.

Owen shall perform the duties of President of UMDNJ as may be required by law, the University's bylaws and policies, the Board and the provisions of this Agreement and the requirements of any applicable law, policy or regulation of the State of New Jersey or of the United States. These duties include, but are not limited to, management of the University, policy recommendations, educational and institutional leadership, strategic planning, budget formulation, and assisting with fund raising and development. Owen shall be the chief executive officer of UMDNJ, and in this capacity shall have charge of the administration of UMDNJ, and shall perform all duties incident to the Office of President of UMDNJ as well as such other duties as may be prescribed by the Board, consistent with the position of President.

3. Best Efforts of Employee.

Owen agrees that he will use his experience and best efforts to perform the duties that may be required of the President of UMDNJ.

4. Term of Appointment and Evaluation.

The term of this Agreement shall be for a period of five (5) years commencing on July 1, 2007, and ending on June 30, 2012, unless otherwise terminated pursuant to the provisions of Article 15 of this Agreement. If not terminated on or before June 30, 2012, this Agreement shall continue thereafter from year to year.

The Board of Trustees shall review and evaluate the performance of the President at the end of each fiscal year, and at any other time as it may determine. The first regularly scheduled evaluation shall occur at the end of fiscal year 2008.

To aid the Board in undertaking such a performance review and evaluation, the President agrees to furnish such oral and written reports as may be requested by the Board at such time or times as may be specified by the Board. The President shall be given the opportunity to consider the performance review and evaluation before it becomes final and to present written comments to the Board concerning it. The Board may or may not, in its discretion and judgment, change the evaluation report based upon the President's comments before the report becomes final. In any event, the President's comments shall become part of the record and be included, along with the evaluation report, if any, in the President's personnel file.

5. Compensation of President: Salary.

For all services rendered by the President under the provisions of this Agreement, UMDNJ shall pay Owen a salary at the annual rate of Five Hundred Seventy Thousand Dollars (\$570,000.00), payable in biweekly or other installments in accordance with the general practice of UMDNJ for the period from July 1, 2007 to June 30, 2008. For the fiscal years beginning on or after July 1, 2008, the President's salary shall be reviewed annually by the Board and may be adjusted by the Board based upon performance and a competitive market analysis. All such compensation shall be subject to the customary withholding tax, Social Security tax and other employment taxes as may be required by local, state and federal law.

In accordance with New Jersey law, the President is not permitted to accept honoraria.

6. Benefits: Disability, Health Coverage, Workers' Compensation, Pension, Sick Leave.

Owen shall receive all benefits in accordance with UMDNJ policy and the state benefits program unless otherwise specified herein or by the Board by amendment to this Agreement.

(a) Health Coverage. Owen shall be eligible to participate in such group insurance, Point of Service (NJ Plus), HMO, prescription, and dental plans which are or may be available to UMDNJ employees.

(b) Workers' Compensation. Owen, as an employee of UMDNJ, is covered for Workers' Compensation.

(c) Pension. Owen shall be deemed to be a regular, full-time University employee for purposes of eligibility in UMDNJ's pension plan as defined by the State Division of Pension & Benefits. The University contributes 8% of the President's base salary and Owen must contribute 5% of his base salary.

(d) Group Life Insurance. Owen shall receive life insurance coverage three and one-half times annualized base salary in accordance with the University's benefits program.

(e) Sick Leave. Owen shall receive fifteen (15) days of sick leave per year which may be accumulated pursuant to UMDNJ policy.

(f) **Disability.** Owen shall be entitled to statutorily mandated disability coverage in accordance with the applicable laws of the State of New Jersey.

7. Vacation, Holidays and Personal Leave.

Owen shall be entitled to twenty (20) days paid vacation per year of service to be accrued monthly and holidays in accordance with UMDNJ policy or as granted by the Board by amendment to this Agreement. The time spent by Owen attending the meetings and events described in Articles 9 and 10 shall not be construed as vacation time. Unless otherwise agreed, such vacation time shall accumulate in accordance with UMDNJ policy. Owen shall be entitled to three (3) float holidays in calendar year 2007 and six (6) float holidays each calendar year thereafter in accordance with University policy.

At the sole discretion of the Board, Owen shall not observe holidays (other than religious holidays), or take vacations which interfere with properly discharging the duties of President under the terms of this Agreement. The President shall be entitled to all other benefits outlined in the University's Executive Benefits Overview.

8. Transportation.

UMDNJ shall make available to Owen an automobile and driver at UMDNJ to be used in the performance of his duties under the provisions of this Agreement and in accordance with UMDNJ policy. The UMDNJ automobile shall be used for University business, and shall be maintained and insured by UMDNJ at its own expense. The UMDNJ automobile and driver shall not be used for Owen's commute to and from his home and his office at 65 Bergen Street, and, accordingly, Owen shall be personally responsible for securing transportation for such commute. However, this restriction is not intended to, and shall not, apply to transportation to and from Owen's home and destinations other than his office at 65 Bergen Street, such as travel to other UMDNJ campuses or for other business purposes at other destinations within and/or without the State of New Jersey. The University shall provide a reserved parking space designated for the "President."

9. Professional Dues and Meetings.

On a reasonable basis commensurate with the duties of President, Owen may attend educational conferences, conventions, courses, seminars and other similar professional growth activities, or activities directly related to UMDNJ's interest, provided they do not interfere with Owen's responsibilities as President. Owen shall be reimbursed for reasonable expenses in connection therewith. Owen shall also be reimbursed for dues and other fees and charges which he has paid in connection with membership in professional organizations and for maintenance of medical and any other professional licenses. For those and all other pertinent expenses, Owen shall be reimbursed in accordance with UMDNJ reimbursement policy.

10. Travel and Entertainment on University Business.

The Board will authorize the payment of Owen's reasonable expenses in representing UMDNJ's interests. These may include (A) travel and entertainment expenses, hotel bills, and other necessary and proper expenses when traveling or attending conferences, meetings or other activities, and (B) entertaining at his home to represent UMDNJ interests. The Board will approve a budget for such activities at the beginning of each fiscal year, and Owen may not exceed the budget without prior authorization of the Board. The budget for the first fiscal year shall be \$25,000.00.

Owen agrees to furnish a monthly accounting of expenses in reasonable detail and in accordance with UMDNJ policy as the Board may reasonably request. Subject to state and federal regulations and IRS regulations where permissible, the University agrees to reimburse Owen for expenses of his spouse or domestic partner, as the case may be, while accompanying Owen on University business.

11. Other Employment.

Owen shall devote substantially his fulltime attention and energies to the performance of his duties as President of UMDNJ, provided however that he shall be permitted to continue to practice medicine and to see patients to the extent that such professional service does not interfere with his duties as President. Owen shall also be permitted to devote reasonable periods of time to personal, charitable and/or professional activities and may, with the prior approval of the Board, serve on outside boards of trustees and/or directors, both profit and nonprofit, and devote reasonable periods of time to outside business.

These additional activities shall not be deemed a breach of this Agreement, provided such activities do not interfere with the services required to be rendered to UMDNJ under this Agreement, as determined by the Board, and provided such activity is not competitive with or adverse to the best interest of UMDNJ.

The making of passive and personal investments and the conduct of private business affairs shall not be prohibited hereunder.

12. Non-Disclosure of Confidential Information.

Owen shall never, directly or indirectly, disclose or permit to be known to any person, firm or corporation, other than in the course of the performance of service for or on behalf of UMDNJ and/or any of its affiliates, any confidential information acquired by him during the course of his employment with UMDNJ. This includes any corporation, partnership or other entity owned by or controlled, directly or indirectly, by any of the foregoing, or in which any of the foregoing has a beneficial interest. Such confidential information shall include, but not be limited to, proprietary technology, trade secrets, patented processes, market studies and forecasts, competitive analysis, pricing policies, customer lists, marketing arrangements and the substance of agreements with affiliates and others. The foregoing obligations shall not apply to any information which: (1) was in the public domain at the time it was disclosed, or thereafter entered the public domain through no act or fault of Owen, or (2) becomes known to Owen from sources independent of UMDNJ or any of its affiliates and not under an obligation of confidentiality to UMDNJ or any of its affiliates or (3) is required to be disclosed pursuant

to law, rule, regulation or court order.

13. Working Facilities.

Owen will be furnished with a private office and such other facilities and services suitable to the position of President.

14. Relocation.

Owen will be provided relocation reimbursement not to exceed fifty thousand dollars (\$50,000) to offset actually incurred expenses associated with two (2) house hunting trips for himself and his spouse, interim housing, moving of household furnishings, storage of household furnishings and other expenses related to the move to New Jersey. To receive reimbursement, Owen shall provide appropriate receipts or proof of payment for such expenses.

15. Termination.

This Agreement may be terminated:

(A) by mutual agreement of the parties;

(B) by Owen's retirement, upon advance written notice of at least one hundred and twenty (120) days to the Board;

(C) by Owen's resignation, upon advance written notice of at least one hundred and twenty (120) days to the Board;

(D) upon Owen becoming mentally and/or physically incapacitated to a degree which, in the judgment of the Board, substantially impairs his ability to perform the duties of President. The Board shall have the right to require the President to submit to a medical examination, either physical or mental or both, and Owen shall have the right to demand and to receive one or more of such examinations. Any such examination shall be performed by a physician licensed to practice medicine selected by the Board and at Board expense if the examination or examinations are requested by the Board or selected by Owen at Board expense if the examination or examinations are requested by Owen.

(E) upon conviction of a crime of moral turpitude or dishonesty or fraud under the laws of the State of New Jersey or of any other State or of the United States;

(F) For Cause. "For Cause" hereunder shall mean that: (1) Owen shall have committed acts which, as determined by the Board, would constitute a crime of moral turpitude, dishonesty, and/or fraud under the laws of the State of New Jersey or under the laws of any other State or of the United States; or (2) Owen shall have willfully failed or refused to comply with the terms of this Agreement or with written directions from the Board which are not inconsistent with Owen's rights under the provisions of this Agreement.

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Prior to any discharge For Cause by the Board, Owen shall be entitled to, and shall, receive written notice from the Chairman of the Board that the Board intends to consider Owen's discharge For Cause at a meeting to be held 30 or more days after the date of the notice. The notice shall set forth with specificity the For Cause charges against the President which will be considered by the Board at the meeting. The President shall be entitled to a hearing before the Board in connection with the charges by written request for a hearing sent to the Chairman of the Board within 10 days of receipt of the notice. At the hearing, the President may be represented by counsel, may call witnesses to testify, may present other evidence, may present argument himself or through counsel and shall be entitled to have the proceedings transcribed. At the request of the President, or at the direction of the Board, the hearing may be conducted in executive session.

(G) upon Owen being absent from employment, for whatever cause, for a continuous period of three (3) months or longer by written notice from the Board to Owen;

(H) without cause, upon sixty (60) days prior written notice from the Board to Owen

Discharge pursuant to subparagraphs (D), (E), (F), (G) and (H) must be by majority vote of all of the members of the Board, not a quorum of the Board.

All obligations of UMDNJ shall cease upon termination of this Agreement, except as provided in the following paragraph.

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If the Board shall terminate this Agreement under subparagraph (H) above, Owen will leave UMDNJ within a reasonable period of time, but will continue to receive his current salary and benefits at the time of separation ("applicable compensation") in accordance with the following schedule:

(A) If termination occurs during the first or second year of employment, Owen will continue to receive his applicable compensation through June 30, 2010;

(B) If termination occurs during the third year of employment, Owen will continue to receive his applicable compensation through June 30, 2010, or for a period of six months after the actual date of termination, whichever is later;

(C) If termination occurs during the fourth or fifth year of employment, Owen will continue to receive his applicable compensation for a period of six (6) months after the actual date of termination.

This shall represent the University's sole obligation and liability to Owen.

16. Agreement OutSide of Contract

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This Agreement contains the complete agreement concerning the employment arrangement between the parties and shall, as of the effective date hereof, supersede all other agreements between the parties. The parties stipulate that neither of them has made any representation with respect to the subject matter of this Agreement except as specifically set forth herein. Each party acknowledges that it has relied on its own judgment in entering into

this Agreement.

17. Modification of Contract.

No waiver or modification of this Agreement or of any covenant, condition or limitation herein shall be valid unless in writing and duly executed by the parties to this Agreement and the parties further agree that provisions of this section may not be waived except as herein provided.

18. Waiver of Breach.

No waiver by either party of any rights under this Agreement will be valid unless set forth in a writing signed by that party. The failure of either party to insist upon strict performance of this Agreement shall not be construed as a waiver.

19. Severability.

The holding of any provision of this Agreement to be illegal, invalid or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Agreement, which shall remain in full force and effect.

20. Governing Law.

This Agreement is to be construed in accordance with the laws of the State of New Jersey.

21. Applicability.

This Agreement and the rights and responsibilities of each party hereto shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns and shall be binding upon same.

22. Assignability.

This is an Agreement for personal and professional services and the services and benefits of the Agreement shall not be assignable in any way by Owner. This Agreement shall be binding upon and inure to the benefit of the parties or their respective heirs, personal representatives and successors.

23. Notices.

Any notices required or permitted to be given hereunder shall be sufficient only if in writing sent by certified mail, return receipt requested, or by a nationally recognized overnight mail delivery service (such as FedEx, UPS, DHL, or the like) to the addresses set forth above or as designated in writing by either party from time to time in accordance with this Article. All

Notices shall be deemed given as of the date of receipt.

24. Remedies.

The rights and remedies of either party hereto, whether under this Agreement or under any other agreement or at law or in equity, for breach or default by the other of its obligations under this Agreement shall be cumulative and concurrent, and may be pursued singly, successively or together at the aggrieved party's discretion, and may be exercised as often as occasion therefore shall occur. Failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement this 29th day of March, 2007.

UNIVERSITY OF MEDICINE AND DENTISTRY OF
NEW JERSEY

BY

Robert Del Tufo, Chair
Board of Trustees

BY

William F. Owen, Jr.
William F. Owen Jr., M.D.

ADDENDUM TO THE MARCH 29, 2007
EMPLOYMENT CONTRACT BETWEEN
THE UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY
AND
WILLIAM F. OWEN, JR., MD
EFFECTIVE DECEMBER 19, 2007

The following two paragraphs are revised to read as follows:

B. Transportation.

UMDNJ shall make available to Owen an automobile and driver to be used in the performance of his duties under the provisions of this Agreement and in accordance with UMDNJ policy. The UMDNJ automobile shall be used for University business, and shall be maintained and insured by UMDNJ at its own expense. The University shall provide a reserved parking space designated for the "President".

14. Relocation.

Owen will be provided relocation reimbursement not to exceed seventy-five thousand dollars (\$75,000) to offset actually incurred expenses associated with two (2) house hunting trips for himself and his spouse, interim housing, moving of household furnishings, storage of household furnishings and other expenses related to the move to New Jersey. To receive reimbursement, Owen shall provide appropriate receipts or proof of payment for such expenses. This reimbursement will be available to Owen for expenses incurred through January 31, 2008.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

UNIVERSITY OF MEDICINE AND DENTISTRY OF
NEW JERSEY

BY

Robert Del Tufo, Chair
Board of Trustees

BY

William F. Owen Jr., M.D.

DATE 2/1/08

DATE 4/28/08